Council Meeting of
May 8, 2007

Honorable Mayor and Members
of the Torrance City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works – Authorize additional $500,000 appropriation in water costs

RECOMMENDATION

The Public Works Director recommends that the City Council authorize an additional appropriation of $500,000 in water costs in the Water Operations Budget for fiscal year 2006-2007 which is offset by the increase in Water revenues.

Funding

The increase in revenue will offset the increase in water cost.

BACKGROUND/ANALYSIS

The Public Works Department performed an analysis of the Water Operating Budget and determined that the Water Operating Budget for fiscal year 2006-2007 needed adjusting to closer align with projected actuals. On November 21, 2006, Council approved another $966,000 increase to the original adopted 2006-2007 fiscal-year budget to meet increasing water costs. Water costs continue to increase and the Public Woks Department has determined that further adjustment to the Water Operating Budget is needed.

Revenue

Current Budget	Proposed Increase	Adjusted Budget
$22,985,300	$500,000	$23,485,300

Water Costs

Current Budget	Proposed Increase	Adjusted Budget
$13,461,363	$500,000	$13,961,363

Net Impact

Increase/Decrease	-0-	

8H

In order to meet the current changes in water sales and water costs, the Public Works Director, with the concurrence of the Finance Director, is recommending an additional $500,000 appropriation in water costs which is offset by the increase in water revenues that reflects the City Manager's proposed budget for 2007-2008.

Respectfully submitted,

ROBERT J. BESTE
Public Works Director

By: Pamela Lewis
Administrative Analyst

CONCUR:

Robert J. Beste
Public Works Director

Eric Tsao
Finance Director

LeRoy J. Jackson
City Manager